Message Text

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TAGS: EINV, CF, GW, US

SUBJECT: EXPROPRIATED U.S. PROPERTY IN PEOPLE'S REPUBLIC OF THE CONGO

REF: BONN 3616

FOLLOWING IS A MESSAGE (FRG NUMBER 5, DATED FEBRUARY 28) FROM FRG AMBASSADOR DERIX IN BRAZZAVILLE ON A DISCUSSION HE HAD CONCERNING THE EXPROPRIATED TEXACO AND MOBILOIL PROPERTIES:

BEGIN TEXT:

EXPROPRIATION OF AMERICAN OIL COMPANIES MOBILOIL AND TEXACO

AT THE OCCASION OF MY FIRST OFFICIAL CALL ON THE CONGOLESE MINISTER OF ENERGY AND MINING ADADA, ON FEBRUARY 25, THE QUESTION OF COMPENSATION FOR THE NATIONALIZED PROPERTIES OF THE ABOVE MENTIONED COMPANIES WAS RAISED. WITH REFERENCE TO THE MOST RECENT NOTE OF THIS EMBASSY (FRG NUMBER 3; BONN 3616), MINISTER ADADA SAID THAT THE CONGOLESE GOVERNMENT IS LIMITED OFFICIAL USE

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WILLING TO COMPENSATE FOR THE LOST VALUES. THE GOOD INTENTIONS ARE, AMONG OTHER THINGS, ALSO DEMONSTRATED IN THAT THE SHELL COMPANY HAS ALREADY BEEN COMPENSATED. AS FAR AS MOBILOIL AND TEXACO ARE CONCERNED, CONCRETE MEASURES FAILED ON TECHNICAL QUESTIONS. AS THE CONGOLESE SEE IT, IT WAS NOT POSSIBLE SO FAR TO ESTABLISH THE VALUE OF THE NATIONALIZED CAPITAL OF THE

TWO COMPANIES BECAUSE OF UNCLEAR BOOKKEEPING. FOR THIS REASON THE CONGOLESE GOVERNMENT, THROUGH ITS NATIONAL COMPANY HYDRO-CONGO, APPROACHED THE ABOVE MENTIONED COMPANIES AS WELL AS SEVERAL OTHER NATIONALIZED COMPANIES WITH THE REQUEST THAT THEY SEND REPRESENTA-TIVES HERE TO CLEAR UP THE UNANSWERED QUESTIONS. TO PROVE HIS ARGUMENTS MINISTER ADADA SHOWED ME A CONFI-DENTIAL LETTER OF THE NATIONAL COMPANY HYDRO-CONGO TO HIS MINISTRY DATED END OF JANUARY. IN THE LETTER THE FOLLOWING IS ASSERTED: BETWEEN REPRESENTATIVES OF THE COMPANIES MOBILOIL AND HYDRO-CONGO FIRST CONTACTS ON THE SUBJECT OF COMPENSATION ALREADY TOOK PLACE IN DECEMBER 1976 AND JANUARY 1977, IN PARIS. A DELEGATION OF THREE REPRESENTATIVES OF MOBIL, INCLUDING MR. BROUCQ AND MR. THOMAS, ARE EXPECTED IN BRAZZAVILLE SHORTLY TO CONTINUE NEGOTIATIONS. WITH RESPECT TO TEXACO, THE LETTER MENTIONED THAT THIS COMPANY HAS NOT RESPONDED TO THE SEVERAL APPROACHES FROM HYDRO-CONGO.

IN SUMMARY, THE MINISTER SAID THAT THE MOST RECENT NOTE WOULD BE ANSWERED SHORTLY. I ASKED HIM TO MENTION IN HIS ANSWER AS MANY DETAILS AS POSSIBLE ON THE CONTACTS HE HAD MENTIONED TO ME.

THE EMBASSY HAS NO INFORMATION REGARDING POSSIBLE CONTACTS BETWEEN MOBILOIL AND HYDRO-CONGO. AS FOR TEXACO, WE NOTE ONE MENTION WHICH SAYS THAT THE REGIONAL MANAGER OF THE COMPANY IN CAMEROON, A MR. RICHARD SUDER, IN MAY 1976 TRIED TO ESTABLISH CONTACT LIMITED OFFICIAL USE

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WITH AUTHORITIES HERE. IT IS NOT POSSIBLE TO FIND OUT IF THIS REALLY TOOK PLACE.

I SUGGEST THAT THE U.S. EMBASSY IS CONTACTED ABOUT THIS CONVERSATION AND THAT THE CONGOLESE STATEMENTS BE CONFIRMED.

DERIX END TEXT STOESSEL

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